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COMMITTEE ON NATURAL RESOURCES
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Agenda item 7 (a)

ECONOMIC AND SOCIAL DEVELOPMENT NEEDS IN THE MINERAL SECTOR:
FLOW OF FINANCIAL RESOURCES, DEVELOPMENT AND TRANSFER OF
TECHNOLOGY TO DEVELOP THE MINERAL RESOURCES OF DEVELOPING
COUNTRIES AND ECONOMIES IN TRANSITION

Draft resolution submitted by the Vice-Chairman of the
Committee, Mr. Neculai Pavlovschi (Romania), on the
basis of informal consultations

Flow of financial resources and transfer of technology to
develop the mineral resources of developing countries

The Committee on Natural Resources,

Recalling Economic and Social Council decision 1993/302 of 29 July 1993,

Bearing in mind that the flow of financial resources and transfer of
technology are means for sustainable development and not an end in itself,

Noting the long-term trend of declining mineral prices,

Aware of the non-renewable character of mineral resources which require
optimal recovery and utilization, as well as the mitigation of any adverse
economic impact on the termination of mining activities,

Acknowledging the trend towards privatization of state-owned mineral
assets,

Concerned about the social impact of privatization on the local communities
living in the mining areas,

Affirming the need for continued assistance from the United Nations system in developing legal and fiscal regimes which will help the host countries to achieve equitable sharing of benefits of mineral development between the host Government, the local population and the investors, and which will enhance the capabilities of developing countries and economies in transition in the negotiation of agreements on investment and their monitoring,

Recognizing the role that United Nations agencies can play in developing mechanisms to balance the interests of foreign investors, the host Government and local communities on return on investment, and also sustainability of economic development,

1. Takes note with appreciation of the report of the Secretary-General on ways and means of facilitating the flow of financial resources and the development and transfer of technology to develop the mineral resources sector of developing countries and economies in transition; 1/
2. Requests the Secretary-General to prepare a report for the third session of the Committee on Natural Resources covering assessment of the benefits accruing to host countries from the inflow of funds and technology for mineral development, taking into account the intrinsic value of mineral deposits, with a view to providing guidance on mechanisms which would allow complementarity between the roles and obligations of the investors and the host Governments, all aiming towards the sustainability of development;
3. Also requests the Secretary-General to conduct a study incorporating inputs from the United Nations system as well as from other sources on the socio-economic implications of privatization of state-owned mineral assets, with particular reference to future mineral investment;
4. Further requests the Secretary-General to include in this study an assessment of changes in living standards and identification of possible remedial measures, including ways and means to establish a dialogue involving all parties concerned, namely, Governments, local communities, trade unions and investors.
